

ILLINOIS DEPARTMENT OF REVENUE
1500 South Ninth Street
Springfield, Illinois 62708

INFORMATIONAL BULLETIN FY82-19

TO: Sellers of Distillation Machinery and Equipment

SUBJECT: Public Act 82-683 Distillation Machinery and Equipment

Effective November 12, 1981, Public Act 82-683 (SB257) provides that 100% of the proceeds of sales of qualifying distillation machinery and equipment will be exempt from State and local Retailers' Occupation Tax, Use Tax, Service Occupation Tax and Service Use Tax. Municipalities, counties and the Regional Transportation Authority may choose to reimpose their portion of the tax.

The statute defines distillation machinery and equipment as machinery and equipment sold as a unit or kit and assembled or installed by the retailer to be used only for the production of ethyl alcohol that will be consumed as motor fuel or a component of motor fuel which will be used in the production of ethyl alcohol motor fuel for personal consumption by the purchaser and not for sale or resale. The purchaser must issue a certificate of exemption to the seller. The certificate must include the purchaser's name and address, seller's name and address and the purchaser's signature. The certificates are to be maintained by the retailer as a part of his books and records. The following language will be accepted by the Department as a certification of use:

"I, _____, certify that the distillation machinery and equipment being purchased will be used in the production of ethyl alcohol motor fuel that will be consumed as motor fuel or a component of motor fuel for my personal use and not for sale or resale."

Retailers and servicemen selling distillation machinery and equipment to qualified users should include the total receipts from sales of tangible personal property and service in Item 1 of Column 3, Pages 2 and 4 of the RR-1-A reporting return. In Item 2(k) or 2(1) identify and enter the exempt amounts of receipts from sales of distillation machinery and equipment to be deducted from taxable receipts.

Retailers and servicemen whose business locations are municipalities and/or counties that have reimposed the local tax should computer such tax 100% of either receipts of retail sales or the cost of tangible personal property re-transferred as an incident to special order service, whichever is applicable.

The date of delivery of distillation machinery and equipment is considered the date of sale for the purpose of determining sales qualifying for exemption. However, partial payments made prior to November 12, 1981 for equipment delivered after that date will not qualify for the exemption.

If you have any questions regarding the information provided, please contact the Department of Revenue. If you are Cook County, call 641-

2150. Persons elsewhere in Illinois may call the Department's toll free, number 800-252-8972. Out-of-State taxpayers should call 217-782-3336.

J. Thomas Johnson
Director

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